



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
Order No. 1797

Grant of Authority for Subzone Status
Valero Refining Company - California
(Oil Refinery)
Benicia, California

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

WHEREAS, the Foreign-Trade Zones Act provides for "...the establishment... of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

WHEREAS, the Board's regulations (15 CFR Part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved, and when the activity results in a significant public benefit and is in the public interest;

WHEREAS, the Port of San Francisco, grantee of Foreign-Trade Zone 3, has made application to the Board for authority to establish a special-purpose subzone at the oil refining facilities of Valero Refining Company - California, located in Benicia, California (FTZ Docket 12-2011, filed 2-17-2011);

WHEREAS, notice inviting public comment has been given in the *Federal Register* (76 FR 10329, 2-24-2011) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

WHEREAS, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and Board's regulations would be satisfied, and that the proposal would be in the public interest if subject to the restrictions listed below;

NOW, THEREFORE, the Board hereby grants authority for subzone status for the oil refining facilities of Valero Refining Company - California, located in Benicia, California (Subzone 3D), as

described in the application and *Federal Register* notice, subject to the FTZ Act and the Board's regulations, including Section 400.28, and further subject to the following conditions:

1. Foreign status (19 CFR §§146.41, 146.42) products consumed as fuel for the refinery shall be subject to the applicable duty rate.
2. Privileged foreign status (19 CFR §146.41) shall be elected on all foreign merchandise admitted to the subzone, except that non-privileged foreign (NPF) status (19 CFR §146.42) may be elected on refinery inputs covered under HTSUS Subheadings #2709.00.10, #2709.00.20, #2710.11.25, #2710.11.45, #2710.19.05, #2710.19.10, #2710.19.45, #2710.91.00, #2710.99.05, #2710.99.10, #2710.99.16, #2710.99.21 and #2710.99.45 which are used in the production of:
 - petrochemical feedstocks and refinery by-products (examiner's report, Appendix "C");
 - products for export;
 - and, products eligible for entry under HTSUS # 9808.00.30 and # 9808.00.40 (U.S. Government purchases).

Signed at Washington, DC, this _16th_____ day of __November_____2011.

Paul Piquado
Assistant Secretary of Commerce
for Import Administration
Alternate Chairman
Foreign-Trade Zones Board

ATTEST: _____
Andrew McGilvray
Executive Secretary

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